

February 23, 2016

Federal Insurance Company C/O York Claim Service 99 Cherry Hill Road Parsippany, NJ 07054

Attn: Gary Pettit

Property Claims Analyst

6 Butler Place, Suite 2 Saratoga Springs, NY 12866 Tel: (973) 404-1077 Fax: (518) 226-6042 Cliff.Hyde@yorkrsg.com www.yorkrsg.com

The strength of York Experience, Leadership, and Integrity

Report Number: 23rd Status Report **York File Number:** YKFA-014828

Policy Number: 00998362100

August 15, 2012 – 2013

CHME-0707A9

Coral Realty, LLC., ETAL

400 Broome Street New York, NY 10013

201 East 14th Street

New York, NY

Date of Loss: 12/05/2012

Type of Loss: Property Damage

INTRODUCTION:

This loss involves damage to the insured risk as a result of construction of a new building being built against the insured risk exterior wall. We continue working with the assigned experts and attorneys assigned to this loss to complete our analysis and measurement of this claim. With this report, I will discuss those developments and future handling of this claim.

Policy Term:

Name and

Address of

Insured:

Claim Number:

Location of Loss:

REPLY REQUESTED:

 Does Chubb Insurance Company agree with the proposed measurement and payment for the insured's incurred claim expenses totaling \$111,468.32? I will discuss the details of this figure later in this report.

ESTIMATE OF LOSS:

I have not modified my estimate of loss since my last report. These figures are based on the initial ROM estimate provided by DBI. This ROM is based on the potential scope prepared by Halliwell Engineering and inspections of the insured risk. These figures are changing and will be adjusted once the final measurement is determined. Please know that these figures can change substantially during the adjustment of this claim based on the changing status on the scope of work. If there is a need to modify them, I will notify you immediately.

York Risk Services Group – SLA YKFA-014828 Coral Realty Report Twenty Three

February 23, 2016

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	Low	High
Building	1,845,040.00	2,570,099.00
Extra Expenses	75,000.00	100,000.00
Business Income	50,000.00	75,000.00
Sub-Total	1,970,040.00	2,745,099.00
Less Deductible	(10,000.00)	(10,000.00)
Total	1,960,040.00	2,735,099.00

Please note that these figures do not take into consideration and code upgrades nor do they consider all of the policy provisions

WP; REL-SUBRO

ADJUSTMENT:

With my last report, I discussed the most recent developments and proposed the future adjustment of this claim. I discussed the outcome of the adjustment team's meeting with the owners of the 133 property, MacArthur Morgan and the access agreement to allow the insured to make their building repairs from the exterior. For an agreed amount, this access agreement would allow the insured to work off of the 133 structure platform with the assistance of minimal shoring and scaffolding. According to the assigned experts, this exterior repair method is the most reliable and feasible method to repair the insured risk.

We did meet with the insured and his team including their public adjuster and attorneys to discuss the access agreement and repairs. The insured explained that they are unwilling to trust MacArthur Morgan and would not agree with the method proposed to repair the insured risk. The insured and their team continue to argue that the best way to repair the insured structure is by using an "inside/ out" repair method. This repair would require the removal of the interior walls, chipping three inches of the concrete wall from the 133 3rd Avenue building and then repairing the exterior of the insured structure. This exterior repair would be performed from the inside of the insured risk in a three inch space between both buildings. It is the opinion of our experts and adjustment team that this repair in not feasible and all indications are that it has never been done before.

At this point, there has been no agreement on the repairs to the insured risk and our team is working with the NYC DOB to monitor the approvals for the selective demolition

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February 23, 2016

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of the 133 property. This demolition will ultimately lead to the insured being able to make the repairs to their building from the preferred and proven side, the exterior of the structure. In addition, with the authority of Chubb Insurance Company, a partial payment of \$100,000 was issued to the insured for an undisputed amount for the building repairs. At this time, we are working with the assigned experts to complete our analysis and measurement of this claim and to secure an agreed price with the insured.

In addition to the above, I met with the insured's public adjuster on February 10, 2016 to review the incurred expenses submitted by the insured totaling \$439,635.89. I have prepared a worksheet detailing this submission and based on my meeting and discussions with the public adjuster and Chubb's attorney, I have completed my review of the submission. I have since provided the Chubb adjuster with a copy of my worksheet for his review and consideration of a payment for the incurred costs totaling \$111,468.32. A copy of my worksheet is enclosed for your records (Enclosure 1).

Lastly, the insured's public adjuster has requested a meeting at the insured risk with the building estimators and engineers without the attorneys. The purpose of this meeting would be to discuss the repairs to the property and hope to agree on a scope. Please note that we are nowhere close to agreeing on the repair methodology; therefore, this meeting would most likely not be productive. I have informed Chubb and their attorney of this request and await their direction moving forward.

BUSINESS INCOME/ EXTRA EXPENSE:

The insured rents this structure exclusively to New York University (NYU) as a student dormitory. With the proposed repair methodology presented by the public adjuster, the students in the apartments along the adjacent wall of the neighboring structure will be vacated. As a result, the insured will either incur the expense of the relocation or lose the rents during the period of restoration. However, this situation and exposure remains undetermined.

If the repairs to the insured risk can be made from the outside at the 133 property, the potential income loss will be nearly eliminated as there will be no disruption to any of the dorm rooms other that Room 407. Additionally, with the decreasing scope of work that eliminates any work on the first two floors of the insured risk, the income loss exposure will be reduced. This potential exposure will remain undetermined until we secure an agreed repair methodology and price as well as a construction schedule. I will keep you apprised on all developments regarding this exposure as they become available.

FUTURE HANDLING:

My next report will follow with the next 30 days. With that report, I will update you on the following:

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February 23, 2016

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- With your authority, issuing a proof of loss for the proposed payment of the incurred expenses discussed in this report;
- Working with the assigned experts and Chubb's attorney to complete our analysis and measurement of this loss;
- Working with the adjustment team to secure and agreed price with the public adjuster and insured for the repairs to the insured risk;
- Working with the public adjuster to identify the business income and/ or extra expense exposure related to this claim;

WP; REL-SUBRO

If you have any questions or need to discuss this loss further, please call.

Respectfully submitted,

Clifford W. Hyde Jr. Clifford W. Hyde Jr.

Executive General Adjuster

ENCLOSURES:

Copy of Incurred Expenses Worksheet;

CC: York Risk Services Group, Inc.

Attn: Mary Taylor - Subrogation Examiner Via Email @: Mary.Taylor@yorkrsg.com

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Incurred	Typenses										
Date of Lc	Date of Loss: December 5, 2012	er 5, 2012									
	Invoice	Source				Invoice				VODK ELA ANALVEIS	
Ref.#	Date	Document	Invoice #	Vendor	Description	Amount	Litigation Expense	Proposed	Under Review	COMMENTS	
- 6	01/28/13	Invoice	-	A & B Engineering & Land Surveying, P.C.	Prepare suivey for encroachments.	1,500.00	1,500.00		,	Costs incurred for survey for encroachment issues	
7 0	01/31/13	Invoice	N/A	A & B Engineering & Land Surveying, P.C.	Survey for Property Line/Meeting	2,500.00	2,500.00		,	Costs incurred for survey for encroachment issues	
	02/10/13	Involce	13446	A & B Engineering & Land Surveying, P.C.		1,600.00	1,600.00			Costs incurred for survey for encroachment issues	
4	05/22/13	Invoice	13784	A & B Engineering & Land Surveying, P.C.	4 Days Work @ 2,000.00 per day/Slab Location	9,000.00	9,000.00			Costs incurred for eurvey for encroachment issues	
					Subtotal	14,600.00	14,600.00			Costs related to litigation with 133	
9	02/04/13	Invoice	Bill # 13-1	Darius Toraby Architects, P.C.	Fees for Exsert Testimony, etc.	3,500.00	3,500.00			Court appearances, testimony, depositions etc all legal fees for law	auit
2	02/11/13	Invoice		Darius Toraby Architects, P.C.	Fees for Expert Testimony, etc.	11,287.50	11,287.50			All costs for preparation of court appearances, including inspections and calculations	nd calculations
9 6	04/15/13	Invoice		Darius Toraby Architects, P.C.	Fees for Expert Testimony, etc.	1,260.39	630.20	630.20		All costs for preparation of court appearances, including inspections at Costs include field inspection of dom room and prelim. Vellum chawin	nd calculations
				Cardo Architecta, T.C.	Subtobal	1,487.50	743.75	743.75		First discussion of remediation of problem and repairs - Applied 50% of	f invoice
					1800000	24,093.89	22,719.95	1,373.95			
10	02/20/13	Invoice	99515	Goldbern Woodin Einkel Coldstain 11 B							
	03/19/13	Invoice	100042	Goldberg Wentin Finkel Goldstein, LLP	Professional Services Rendered	28.004.50	18,763.02	9,241.49		Expenses include costs related to stop order to mitigate loss - propose partial amount - 33%	partial amount - 33%
	04/23/13	Invoice	100753	Coldberg Weprin Finkel Coldstein, LLP	Professional Services Rendered	36,523.74	27,392.81	9,130.94		Expenses include costs for restraining order - mitigation of loss expense - 25%	e - 25%
	05/17/13	Invoice	101353	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	20,263.23	18,236.91	2,026.32		Most cost involved with encroachment issue - Portion involves cost for mitigation - 10%	mitigation - 10%
	0012000					16,482.40	8,246.20	8,246,20		Expenses include assessment of demage to insured risk including core drillings and inspections - propose 50%	drillings and inspections -
1	05/1//13	Invoice	101696	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	6,697.18	5,697.18			Expenses include encroachment lawsuit expenses	
	08/20/13	Invoice	102231	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	5,270.00	3,530.90	1,739.10		Portion of expenses include discussions and activities with Chubb adjustment team - 33%	siment team - 33%
	09/16/13	Invoice	103046	Coldber Woods Elect Coldstein, LLP	Professional Services Rendered	6,177.40	6,177.40			Expenses include encroachment lawsuit expenses	
	09/27/13	Invoice	103789	Colubert Wards Elekel Coldstein, LLP	Professional Services Rendered	4,592.50	4,592.50			Expenses include encroachment lawsuit expenses	
	11/15/13	Invaice	104760	Goldberg Webrin Finkel Goldstein, LLP	Professional Services Rendered	2,062.50	2,062.50			Expenses include encroachment lawsuit expenses	
	12/13/13	Invoice	105497	Goldbera Webrin Finkel Goldstein, LLP	Professional Services Rendered	13,620.00	13,620.00			Expenses include encroachment lawsuit expenses	
	01/13/14	Invoice	106284	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	14 525 00	1,366.80	673.20		Portion of expenses include discussions and activities with Chubb adjustment team - 33%	stment team - 33%
	02/14/14	Invoice	130353	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	16.243.48	14 619 13	1,452.50		Profilon of expenses include discussions and activities with Chubb adjustment team - 10%	stment team - 10%
	03/11/14	Invoice	130890	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	15,935.25	14,341,73	1.593.53		Portion of expenses include discussions and activities with Chubb adjustment team - 10%	stment team - 10%
	04/15/14	Invoice	131428	Goldberg Weprin Finkei Goldstein, LLP	Professional Services Rendered	13,020.00	13,020.00			No Invoice	simeni team - 10%
	05/15/14	Invoice	131941	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	15,167.57	13,650.81	1,516.76		Portion of expenses include discussions and activities with Chubb adjustment feam - 10%	stment feam 10%.
07	02/09/14	Invoice	132417	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	7,955.00	7,159.50	795.50		Portion of expenses include discussions and activities with Chubb adjustment team - 10%	stment team - 10%
28	08/15/14	Invoice	132938	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	4,517.25	4,517.25			Expenses include encroachment lawsuit expenses	
	09/16/14	Invoice	134132	Coluberg Weepin Finkel Coldstein, LLP	Professional Services Rendered	2,762.50		2,762.50		All claim expenses - working with insured and PA	
30	10/15/14	Invoice	134885	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	1,416.00	1	1,415.00		All claim expenses - working with insured and PA	
	11/13/14	Invoice		Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	2.370.00	, FO2 FO	1 777 60		All claim expenses - working with insured and PA	
	12/10/14	Invoice	136566	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	9,120.00	4.560.00	4.560.00		Portion of expenses include discussions and activities with PA - 75% Portion of expenses include discussions and activities with PA - 75%	
	01/20/15	Invoice	137480	Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	7,265.00	3,632,50	3,632.50		Portion of expenses include discussions and activities with DA & Church Town 50%	Tana 500/
34	02/20/15	Invoice		Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	7,145.00	6,430.50	714.50		Portion of expenses include discussions and activities with PA - 10%	194111 - 2074
	03/13/13	Invoice		Goldberg Weprin Finkel Goldstein, LLP	Professional Services Rendered	510.00	3	510.00		All claim expenses - working with insured, PA and Chubb Team	
	05/13/15	Invoice		Goldberg Webrin Finkel Goldstein, LLP	Protessional Services Rendered	7,265.00	5,448.75	1,816.25		Portion of expenses Include discussions and activities with PA - 25%	
					Control of year Serial and Serial	3,275,00	2,456.25	818.75		Portion of expenses Include discussions and activities with PA - 25%	
					and	269,444.50	213,187.63	56,256.87		Costs related to litigation with 133	
										Harwood was retained by Darlus Toraby Architects to get involved with the litigation against the star sproperty per Harwood's 2/17/17 report and not consult on the insurance claim. However, this have been consultanced to the location and the location of the consultance of the c	the litigation against the urance claim. However,
38	02/18/13	acional	700							considered.	or inter involcing can be
	02/19/13	Invoice		SR Herwood Consulting Engineering PC	Structural Engineering from 2/18/13 to 4/16/13	3,250.00		1,072.50	2,177.50	nvoice submitted - Propose 25% Invaices indicate that these e	nginearing services include
40	05/14/13	Invalce	302	SR Harwood Consulting Engineering FC	Colored Authority Colored Colo	12,000.00	,	3,960.00	_		tent of damage as well as
	10/11/13	Invaice		SR Harwood Consulting Engineering P.C.	Engineering Ketainer of Period Beg. 4/10/13	9,000,00	,	1,650.00	_	Invoice submitted - Propose 25% creation for the encroachment lawsuit. Public adjuster	nt lawsuit. Public adjuster
42	12/11/13	Invoice		SR Harwood Consulting Engineering PC	Engineering to Structural Period 10/11/13 to 1/1/14	3 750 00		1,650 00			nd support from SR
	02/06/14	Invoice	411	SR Harwood Consulting Engineering PC	Engineering for Structural Period 1/1/14 to 3/1/14	3,750.00		1,237.50			e attributed to the claim
	07/31/14	Invoice		SR Harwood Consulting Engineering PC	Engineering for Structural Period May to Sep 1, 2014	3.750.00		1 237 50	2,312.30	Invoice submitted - Propose 25% assessment and analysis and/ or the lawsuft. Per lawstern the lawsuft. Per Harwood statements, these invoices do not include	/ or the lawsuit. Per
	10/06/14	Invoice		SR Harwood Consulting Engineering PC	Engineering for Structural Period 9/1/14 to 11/1/14	3,750.00		1,237.50	_	I	oposing 33% of submitted
9	12/02/14	Involce	460	SR Harwood Consulting Engineering PC	Engineering for Structural Period 11/1/14 to 12/31/14	3,750.00		1,237.50		Invoice submitted - Propose 25% timesheets from SR Harwood.	and review of timecards/
					Subtotal	44.000.00	,	44 620 00	00 007 00		
								14,020,00	23,490.00		

						obtain ppies of n will be n proposing ed until		s was area that areas of onable -	arty. This mage to the	arty. This mage to the	arty. This mage to the				
					COMMENTS	Per discussion with public adjuster, he will obtain discussion with public adjuster, he will obtain of drawings etc One received consideration will be of drawings etc One received consideration will be given for threse expresses. At his point, I am proposing 60% of the automitted expenses be considered until documentation is received.		Per discussion with public adjuster, this costs was intered to allow untiple inspections of the area that was damaged and to provide access to the areas of controlle encroachment. Costs appear reasonable proposing 100%	Costs incurred for surveying the property. Costs incurred to stop work on the 133 property. This prior to the loss being reported. Ocest is incurred amount to mitigate the damage to the lineared risk. Promosing 100s.	Costs incurred for surveying the property. Costs incurred to stop work on the 133 property. This prior to the loss being reported.	Costs incurred for surveying the property Costs incurred to stop work on the 133 property. This prior to the loss being reported. Cost is an incurred amount to militarle the damage to the loss being reported.				
				YORK SLA ANALYSIS		Invoice submitted appears claim materia: however, not enough information variable to propose any payment. Invoice needs to champs created and filling with NVT ODB; however, no evidence that any of list work is done or complete. Need to see ilmeshets and canceled checks to verify costs were incurred before proposing any payment for this invoice.	This invoice references the installation of lemporary wall as per Hanvood instructions. There is no satinate or scope of work provided nor canceled check to support cash incurred. Our estimate to do this same work totaled \$17.441.36 of which Craft was peal \$57.182. Costs appear excessive for a \$58.71.82. Costs appear excessive for a lemporary wall in one room (407)	Invoice for temporary wall appears to be duplicated as above from teeberg. Thowever, the scope indicates a temp. well on the 3cd and 4th floors. There was only a temp. wall everled on the 4th floor and our estimate for this was more than this invoice. Again, meed to see armoded finek and verification of scope and first fills is not a deplicate to the parabove invoice.	Costs incurred for surveying the property prior to the loss being reported.	Costs incurred for surveying the property prior to the loss being reported.	Costs incurred for surveying the property prior to the loss being reported.				
					Under Review	12,180.00	36,000.00	,		•		48,180.00		77,660.00	
					Proposed	12,180.00		12,937.50	3,000.00	4,200.00	7,000.00	39,317.50		111,468.32	
					Litigation Expense						t			250,507.57	
				Invoice	Amount	24,360.00	36,000.00	12,937.50	3,000.00	4,200.00	7.000.00	87,497.50		439,635.89	
					Description	Architect fees.	Installation of New Wall	I) Moving students from mera where wall elanges Coccurred or affected areas on the 3rd & 4th floors. 2) Removing furniture from affected areas on the 3rd & 4th floors. 3) Installation of metal farming for the erection of a new wall. 4, Installation of 7/3° playwood on metal suds. 5) Installation of sheetrock on top of painting. painting.	Location Survey (\$3,500 Discounted to \$3,000)	Field Visit/Prepared Report	Field Visit/Prepared Report	Subtotal		TOTAL	
					Vendor	C3D Architecture PLLC	Iceberg Developing Co., LLC	lcaberg Developing Co., LLC	Redeye Technical Services, Inc.	Wexler Associates	Wexler Associates				
					Invoice #	14633-1	307407129	200603	RTS13-123	22013	22628				
		ar 5, 2012		Source	Document	Invoice	Invoice	Invoice	Invoice	IIIVOICE	Invoice				
stal, LLC	xpenses	Date of Loss: December 5, 2012		Invoice	Date	877730	04/17/13	05/04/15	04/19/13	01/14/13	01/31/13		A STATE OF THE PERSON NAMED IN COLUMN NAMED IN		
Coral Crystal, LLC	Incurred Expenses	Date of Lo			Ref. #	44	88	D	00		8				



October 28, 2016

Federal Insurance Company C/O York Claim Service 99 Cherry Hill Road Parsippany, NJ 07054

Attn: Gary Pettit

Property Claims Analyst

6 Butler Place, Suite 2 Saratoga Springs, NY 12866 Tel: (973) 404-1077 Fax: (518) 226-6042 Cliff.Hyde@yorkrsg.com www.yorkrsg.com

The strength of York Experience, Leadership, and

Report Number: York File Number:

Policy Number:

Policy Term: Claim Number:

Name and Address of Insured:

Location of Loss:

Date of Loss: Type of Loss:

30th & Final Report YKFA-014828

00998362100 August 15, 2012 – 2013

CHME-0707A9

Coral Realty, LLC., ETAL

400 Broome Street New York, NY 10013 201 East 14th Street

New York, NY

12/05/2012 **Property Damage**

INTRODUCTION:

This loss involves damage to the insured risk as a result of construction of a new building being built against the exterior wall of the insured risk. We have been working with the assigned experts and attorneys to complete our analysis and measurement of this claim. Since my last report, I was contacted by York RSG Senior Property Claims Analyst Gary Pettit informing me that at the end of October 2016 this loss will be moved from York RSG and brought in-house to the Ace/Chubb TPA in Atlanta, GA. Since my last report, I have been advised to close my file and collect all outstanding expert invoices to include in our final report to Chubb and close our file.

USE OF EXPERTS:

As mentioned above, I received invoices from two experts that have outstanding invoices due. The first invoice I received is from Halliwell Engineering for their services totaling \$555.00 (Enclosure 1). I have reviewed this invoice and feel it is reasonable for the time involved. At this time, I am proposing payment is issued to Halliwell Engineering to the following address:

Halliwell Engineering 865 Waterman Avenue Providence RL02914 FIN: REL-TAX ID

In addition, I received invoices from the appraiser assigned by Chubb, Mr. Mark Parisi of White and Williams totaling \$6,986.26 (Enclosure 2 & 3). Payment should be sent to White and Williams to the following address:

York Risk Services Group – SLA YKFA-014828 Coral Realty Report Thirty October 28, 2016

Page 2 of 4

White and Williams LLP
One Liberty Place, Suite 1800
Philadelphia, PA 19103-7395
FIN: REL-TAX ID

Please note that I have followed up with the remaining experts involved with this loss and all payments are current with them.

ESTIMATE OF LOSS:

I have not modified my estimate of loss since my last report. These figures are based on the initial ROM estimate provided by DBI based on the scope of loss prepared by Halliwell Engineering and inspections of the insured risk. These figures are changing and can change significantly once the final measurement is determined. If there is a need to modify them, I will notify you immediately.

	Low	High
Building	1,845,040.00	2,570,099.00
Extra Expenses	75,000.00	100,000.00
Business Income	50,000.00	75,000.00
Sub-Total	1,970,040.00	2,745,099.00
Less Deductible	(10,000.00)	(10,000.00)
Total	1,960,040.00	2,735,099.00

Please note that these figures do not take into consideration and code upgrades nor do they consider all of the policy provisions

WP; REL-SUBRO

AC/WP



Incurred Invoice Analysis:

With my previous reports, I discussed my analysis of the incurred invoices submitted by the insured as part of this claim and proposed a potential payment to the insured totaling \$111,468.32. The Chubb examiner, Zimmerman of Chubb informs me that these amounts will be considered and included in the appraisal process of this claim and settled up when the appraisal is completed.

BUSINESS INCOME/ EXTRA EXPENSE:

The insured rents this structure exclusively to New York University (NYU) as a student dormitory. It is likely that the insured will submit a claim from lost rents during the period of restoration depending on the method used to repair the structure. Since there has been no formal agreement on the repair process, methodology or time frame this matter remains undetermined. I will keep you apprised on all developments regarding this exposure as they become available.

FUTURE HANDLING:

I have been instructed to close my file with no further activity as this loss is being moved from York Risk Services Group to another TPA firm that is affiliated with ACE/Chubb in Atlanta, GA. It is possible that the new TPA will request I remain involved with this claim as the field adjuster; however, until that time comes (if it comes at all) I will reopen my file and work with Chubb's adjustment team to resolve and potentially settle this loss.

If you have any questions or need to discuss this loss further, please call. At this time, my file is closed and I thank you for the assignment.

Respectfully submitted,

Clifford W. Hyde Jr.

Executive General Adjuster

Cliffard W. Hyde Gr.